

## **Draft**

Stadium Authority Meeting  
99-500 Salt Lake Boulevard  
Honolulu, Hawaii 96818  
June 25, 2009

### **Members Present:**

Kevin Chong Kee, Chairman  
Kay Ahina  
Kathryn Inouye  
Alexander Kane, Jr.  
Marcia Klompus  
Nelson Oyadomari  
Lawrence K. W. Tseu, DDS  
Alan Tamayose

### **Members Absent:**

Kenneth Marcus

### **Staff Present:**

Scott Chan  
Lois Manin  
Deborah Ishihara  
Liane Nakagawa  
Shawn Nagata

Andrew Chang  
Ming Tan  
Engel Garcia  
Alan Arato

### **Others:**

Carol Fukunaga, Senator  
Randall Nishiyama, Deputy Attorney General  
Teri Chang, UH Athletics  
Roger Reeves, Centerplate  
Davy Murayama, Centerplate  
Roseann Chang, Centerplate  
Samantha Spain, PCF Virtual  
Krysti Peacock, PCF Virtual  
Glen Higa, Aloha Sports Properties  
(See Exhibit A – Sign-in Sheet)

## **I. CALL TO ORDER**

A quorum being present, Chairman Kevin Chong Kee called the meeting to order at 10:05 a.m.

II. Approval of the May 28, 2009 Public Meeting and Executive Session Minutes; and the June 4, 2009 Public Meeting Minutes

ON A MOTION MADE BY MEMBER AHINA TO ACCEPT THE MINUTES OF THE MAY 28, 2009 PUBLIC MEETING AND SECONDED BY MEMBER OYADOMARI, THE BOARD UNANIMOUSLY APPROVED THE MINUTES

ON A MOTION MADE BY MEMBER AHINA TO ACCEPT THE MINUTES OF THE MAY 28, 2009 EXECUTIVE SESSION AND SECONDED BY MEMBER KANE, THE BOARD UNANIMOUSLY APPROVED THE MINUTES

ON A MOTION MADE BY MEMBER OYADOMARI TO ACCEPT THE MINUTES OF THE JUNE 4, 2009 SPECIAL PUBLIC MEETING AND SECONDED BY MEMBER TAMAYOSE, THE BOARD UNANIMOUSLY APPROVED THE MINUTES

III. Monthly Reports

A. Chairman's Report

Chairman Chong Kee welcomed Senator Carol Fukunaga to the meeting.

Chairman asked Deputy Attorney General Randall Nishiyama (Counsel) to explain a Board Member's request to change the proposed Amendments to the Administrative Rules.

Counsel stated it is his understanding that Member Kenneth Marcus is contemplating proposing additional changes to the Amendments to the Administrative Rules which were agreed to by the entire Board. The purpose of the Administrative Rules is to implement the statutory framework of the Authority. A rule does not amend the statutes, and some of the changes contemplated by Member Marcus would involve changes to the Stadium Statutes. In order to change the statutes, the Board would have to submit its request to the Legislature at the next Legislative Session, January 2010. Counsel said the question is: "Does the Board want to put a hold on the rule changes, or at this time, move forward with the rule changes and start the public hearing process?"

Comments/Question by the Board

Member Oyadomari asked for clarification of the proposed changes. Counsel responded that Member Marcus is proposing additional flexibility in the flow of funds. Presently all monies are deposited, according to the statutes, in the Stadium Special Fund.

Member Inouye - With reference to prior discussions on how it impacts the University of Hawaii (UH), will the proposed rule changes accommodate the Board's desire to look for ways to offset certain expenses other than the reduction of expenses to reduction in services? Counsel responded, based on what he knows, and if it is consistent with the categories of expenses in the rules, the Stadium Manager does have some of those powers. However, the rules will not accommodate revenue sharing – that would require a change to the statutes.

Counsel stated the Board needs to decide if it wishes to move forward with the proposed amendments to the Administrative Rules, or to revisit them again.

Member Klompus – Preferred to discuss this matter at a future meeting with Member Marcus in attendance.

Member Ahina – Stated she does not feel it was the Board's intention to make statutory changes.

Member Inouye -Stated there were a couple of things the Board looked at that became related:

- The overhaul of the existing rule to accommodate more flexibility on how we charge expenses to users;
- How we charge expenses and fees to the UH and other users. We are proposing in the amendments which would allow management the ability to negotiate (depending on the user and circumstances), reductions in specific expenses. An example is to do an offset of expenses based on attendance. Counsel clarified it would be an offset of expenses and not revenues.

Member Klompus – Clarified her understanding that the proposed rule amendments pertain to expenses; and the revenue issue is entirely different and will be submitted to the Legislature. Counsel also noted that no hearing is required for the statutory changes.

Chairman Chong Kee – The proposed amendments are currently on hold on Comptroller Russ Saito's desk. Chairman recommended to the Board to proceed with those amendments. He suggested that another committee be formed to consider the changes being contemplated by Member Marcus, which would require statutory changes.

Chairman said he will ask Comptroller Saito to proceed with the Administrative Rule Changes.

## B. Stadium Manager's Report

### Financial Report

The financial report was provided to the Board. Manager Chan stated he is also distributing a report that reflects the year-to-end projects which Member Inouye requested.

Member Inouye requested that a few changes be made to the financial report to assist the Board in tracking the year-to-date figures against budget; suggested clarification of footnotes.

### Monthly Activities

The Stadium had a busy month, with overlapping events: Graduations, 50<sup>th</sup> State Fair (with an excellent attendance), and the Swap Meet. One of the larger events was the Mililani Graduation with over 10,000 in attendance.

### Furlough Program (effective July 6, 2009)

With respect to Governor Lingle's Furlough Plan, we have provided you with Aloha Stadium's furlough schedules. Because the Governor regards the Stadium as a unique State agency, we will have two schedules; one for the Administrative Staff and the other for the staff that will be working the events. For the majority of the time our furlough days will fall on Mondays.

If we receive word of any changes as a result of the July 2, 2009 special meeting, we will adjust the work schedule accordingly.

Member Klompus inquired what is the plan if an event is held on a Monday.

Manager Chan responded that these types of situations were discussed with each supervisor and adjustments will be made to the work schedules. We are looking at ways to minimize our cost to our clients and also addressing the issues that the Governor is trying to implement.

### Field Turf

The stadium has renewed its discussions with the Hawaii Tourism Authority concerning the field turf replacement project. Every effort is being made to address the requirements stated in the Pro Bowl contract relative to the field turf.

### Cost Savings to UH

For the benefit of members who were not present at the June 4, 2009 special meeting, a brief overview will be presented by Lois Manin, Deputy Manager and Shawn Nagata, Asst. Events Manager. Our presentation will cover the proposed

cost-sharing plan that we are reviewing with UH in terms of out-of-pocket expenses. Below are some of the areas addressed:

- All ADA guests will be accommodated in the inner circle, eliminating the cost for shuttle service to and from the Kam Lot;
- Reduction of nine police officers; if the attendance increases or if security-related issues arise, that number will be adjusted;
- Ford Island will not be used for alternate parking, unless the attendance warrants it. This is a cost-saving measure; the average parking costs per vehicle is \$65-\$70. We will educate the public to use the three alternate sites. The decision to use Ford Island will be UH's. Mr. Chan noted for the first game (Friday), the gates may be opened earlier to assist in the week-day traffic.

Member Ahina questioned the reduction in solo bike officers. Manager Chan advised that this decision was made together with Major Kajihiro of the Pearl City Police Department. It is HPD's call on public roadways. We will be the first to address a traffic problem with the Major if it arises; adjustments will then be made.

Major Kajihiro, being sensitive to the rough times, volunteered to eliminate the premium charge for special duty officers (\$4/hour).

Member Oyadomari inquired about the status of the roof renovations. Manager Chan reported it will be in camouflage fashion for the football season; however we are on track for the first phase. Both the roof renovation and bridge stiffening are on schedule.

#### EXECUTIVE SESSION

AT 11:05 A.M. MEMBER AHINA MADE A MOTION TO ENTER INTO EXECUTIVE SESSION TO CONSULT WITH COUNSEL ON MATTERS PERTAINING TO A PERSONNEL ISSUE. MEMBER INOUE SECONDED THE MOTION. THE MOTION WAS UNANIMOUSLY CARRIED.

Meeting reconvened at 11:35 a.m.

Deputy Attorney General Randall Nishiyama stated the Stadium Authority received a letter from a member of the public which has made a number of serious allegations against members of the Stadium staff and its Board Members. He also stated the Stadium Manager will be preparing a response regarding those allegations.

Member Kathryn Inouye referred to a letter from Neumann Shim, signed as President of the Aloha Stadium Swap Meet Vendors' Association. She expressed her concerns to Mr. Shim and said, "she sees clear frustration and anger in the letter, but what bothers her is that there are also allegations that there was a selection committee that was put together and in his opinion it seemed to be geared toward heavily favoring the award of the Swap Meet management to a specific entity. She advised him that she was surprised by that statement because it was done publicly in those meetings, as well as in setting the evaluation criteria; also, members of the Swap Meet Vendors' Association or some of the Swap Meet vendors were present at many of those meetings. The selection of the committee and everything was done in a public forum. There was no intent, she assured him for this Board or anyone that was selected to be on that committee to be anything other than objective and to weigh the proposals very objectively as they come in. Ms. Inouye told Mr. Shim she feels his opinion is not fact and wanted this on record."

C. Approval of Events

1. Swerve Driver Training Group  
Teen Driver Training Event  
(Hosted by Allstate Insurance Company)  
Lower Halawa Parking Lot  
September 12, 2009 (Saturday 8:00 a.m. – 2:00 p.m.)

A MOTION WAS MADE BY MEMBER OYADOMARI AND  
SECONDED BY MEMBER KLOMPUS TO APPROVE THIS EVENT.  
THE MOTION WAS UNANIMOLUSLY CARRIED.

D. UHAD Monthly Report

Teri Chang presented the report on behalf of Jim Donovan who had a prior commitment. She stated approximately one month ago Manager Chan and his staff made a presentation to UH and they are very appreciative of everything that was presented to them. They can't thank the Board, as well as management, enough for putting this together. UH, as they look for ways to cut costs, are extremely pleased with the assistance and cooperation from the Stadium.

As of today UH has renewed reservations for 7,100 season ticket holders (about 80% renewed). Public sales will be begin on July 6, 2009. UH is positive, and at this point they may be 10% short, but hopefully they will meet all of their goals for the ticket renewals.

Since graduations cannot be held at the Stadium next year, due to construction, five schools have contacted UH for the use of their facilities. Ms. Chang said they would like to work closely with Mr. Chan and his events staff to help them understand what is involved in getting the graduations underway.

E. Centerplate/Swap Meet Monthly Report (report distributed)

Report presented by Roseann Chang, Swap Meet Manager:

- Swap meet opened one additional day this year vs. the same time last year. It fell on a Sunday which affected sales and attendance;
- May monthly attendance increased by 6.3%
- Daily average attendance increased by 1.3%
- Total paid attendance increased by 7.9%
- Average Daily Paid Attendance increased by .2%
- Total Stall Sales in May increased by 4.8%
- Total Stall Sales for the D,E, and F Rows increased by 1.1%
- Total Stall Sales for the A,B, and C Rows increased by 26.5%
- The Mother's Day Craft Fair resulted in a total of 27 stalls sold

Samantha Spain and Krysti Peacock of PCF Virtual presented a detailed report of the Father's Day Classic Car Show & Miniature Golf event held at the Swap Meet on June 6, 2009:

Event Objectives:

- Increase attendance;
- Extend the time that shoppers spent at the Swap Meet;
- Attract new shoppers.

Free Activities included:

- 18-hole Miniature Golf Course;
- Classic Car show featuring over 60 show cars;
- Hawaii Bone Marrow Donor Registry.

Advertising efforts:

- Centerplate passed out flyers the week prior to event;
- Bone Marrow Registry handed out 2,000 flyers on day of event;
- PCF Virtual delivered approximately 2,000 flyers to surrounding schools.

Public Relations Recap:

Distributed a press release entitled "The Aloha Stadium Swap Meet & Marketplace Kicks off Summer with a Family Fun Event" to:

- TV and Radio stations, as well as the two major newspapers;

- PCF was also interviewed on KHON's Morning Show and KUMU-AM radio talk show;
- Event information was sent to concierge and activity desks at approximately nine major hotels in Waikiki.

Positive Elements (strengths):

- Many spectators enjoyed the variety of vehicles displayed;
- Successful attendance for both the car show and miniature golf;
- Bone Marrow Registry received over 30 potential donors and cash donations;
- Centerplate staff was organized and helpful in assisting spectators.

Elements to Improve:

- Larger covered area for people to sit down and eat in the shade;
- More visible banners, signs and flyers to announce the event and location;
- Relocate event to a more visible area;
- Make hourly announcements about events/festivities;
- Pre-event advertising.

Members Inouye and Oyadomari inquired about the attendance at the June 6<sup>th</sup> event and how it reflected the sales at the Swap Meet. Member Inouye asked if they polled the vendors after the event. PCF stated the attendance compared to a year ago increased by 1,100. Information on sales was not available, but they are working with the Vendors Association to establish an email list of all vendors in order to have sales information in the future.

Mr. Garcia, vendor, said generally the groups gather closer to the actual events.

Mr. Gouveia, vendor, stated his booth did pretty good. Although his booth was not close to the event, customers from the show did shop at his booth.

Member Oyadomari inquired if PCF could move events around for fairness to other vendors. PCF said they plan to do that in the future. Manager Chan said that should definitely be part of their strategy in order to create a well-rounded swap meet.

PCF said they continue to pass out flyers to vendors to keep them informed of the current activities. They also have their web page running.

Their next event will be a back-to-school promotion together with the Lokahi project, requesting donations of school supplies from the public. They will coordinate this event with prizes to the public.



Member Ahina inquired about swap meet connecting with the Pearl Harbor tour. Mr. Murayama said the Pearl Harbor Missouri will be closed temporarily and they are interested in selling some of their merchandise at the swap meet. Discussions are ongoing.

#### F. Aloha Sports Properties Monthly Report

Glen Higa was asked to brief the board on the status of securing corporate partners and the television installations:

- Secured six corporate partners (State Department of Health; Hawaii Army National Guard; Hawaii Self Storage; Midas; UH Alumni Association; and Outback Steak House).
- Continuing their dialogue with many companies. A lot more interest is generated at this time;
- Regarding the installation of the TV's, they received the addendum of the IFB on Monday afternoon. At this time SONY has ordered 30 TV's (in accordance to priority #1 that was provided to them). CBS has been on property and things are progressing. They are committed to meet the deadline that has been identified in the addendum, with installation by August 1 and/or before the start of the UH FB season;

Chairman Chong Kee asked Mr. Higa what were his priority areas? Mr. Higa responded – concessions, of which he is working with stadium staff.

Member Klompus inquired how many televisions are being installed. Mr. Chan responded, ninety (90). Initially the numbers were 34 and after discussing how we can best use our dollar, we acquired more.

#### IV. Unfinished Business – Discussion and Appropriate Action

##### A. Aloha Stadium Swap Meet RFP – Award of the Aloha Stadium Swap Meet RFP.

#### EXECUTIVE SESSION

At 12:09 a.m. Chairman Chong Kee requested a motion to go into Executive Session to discuss a personnel matter.

A MOTION WAS MADE BY MEMBER INOUE AND SECONDED BY MEMBER TAMAYOSE TO MOVE INTO EXECUTIVE SESSION. THE MOTION WAS UNANIMOUSLY CARRIED.

Meeting reconvened at 12:30 p.m.

Chairman Chong Kee requested a statement be made by Deputy Attorney General Randall Nishiyama.

Mr. Nishiyama stated during the Executive Session he advised the Board that the Notice of Intent to Award the Aloha Stadium Swap Meet RFP will be delayed because more time is needed.

Chairman Chong Kee addressed Mr. Shim and stated an announcement will be made when the meeting is scheduled and if it is a Special Meeting, it will be open to the public. It will probably occur before our next scheduled meeting.

- B. UHAD Fees Committee – Report on Investigative Committee findings on the fee structure for UHAD events.

Member Tamayose reported: The committee met with staff and reviewed the current administrative and legislative rules. It concluded that the approach that management has taken with the UH in cutting expenses is the best approach at this time, and the only approach, until such time as the rules are changed. Member Klompus said this is also in line with what was discussed earlier. Mr. Nishiyama agreed.

Mr. Nishiyama advised the Board, if they wish to vote on the Committee's recommendations, that would have to occur at the next Board Meeting. Chairman Chong Kee said he will add it to the agenda for the July meeting.

- C. Aloha Stadium Repair Work – Update from Comptroller Russ Saito on the Stadium Repair Work Project or any update involving Aloha Stadium.

No Report.

- D. Aloha Stadium Manager and Deputy Manager Evaluation – Discussion on evaluations submitted to Stadium Authority.

In the absence of several board members, Chairman Chong Kee deferred this discussion to the July meeting.

- E. Executive Session – Executive Session to discuss personnel matters concerning the Stadium Manager and Deputy Stadium Manager Evaluation

None

- V. New Business – Discussion and Appropriate Action

None

VI. Next Meeting

July 30, 2009

VII. Adjournment

Meeting adjourned at 12:40 p.m.

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KEVIN CHONG KEE  
Chairman

Recorded by: Diana C. Ho

Approval date: \_\_\_\_\_